



News Release

Attorney General Robert E. Cooper, Jr.

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CONTACT: Sharon Curtis-Flair
(615) 741-5860

ATTORNEY GENERAL ANNOUNCES AGREEMENT TO IMPROVE DELL'S CUSTOMER SERVICE AND OBTAIN RESTITUTION FOR TENNESSEE CONSUMERS

Attorney General Bob Cooper announced today a settlement between the Attorneys General of 34 states and Dell to resolve complaints of customer service issues. The agreement filed on behalf of the Tennessee Division of Consumer Affairs required Dell to provide restitution to some customers who had problems with the company's financing promotions, rebate offers, technical support and repair policies between April 1, 2005 and now.

"We hope this agreement will improve Dell's customer service system," Attorney General Cooper said. "The agreement requires disclosures to prevent future communication breakdowns and ensures that customers who are owed money are promptly paid."

Under the agreement, Texas-based Dell, Inc., and its subsidiary, Dell Financial Services, LLC, have agreed to pay \$1.5 million in restitution nationwide to eligible consumers who file claims postmarked by April 13, 2009. Consumers in Tennessee should file their claims with the Tennessee Division of Consumer Affairs.

The multistate investigation began after customers complained about an array of issues. Some who applied for zero-percent financing were charged higher interest rates. Others had trouble obtaining warranty service on their Dell computers. Many said they never received promised rebates.

The agreement requires Dell to institute new disclosure requirements to assist customers with their purchases. In addition, Dell agreed to the following:

FINANCING AND CREDIT OFFERS

*Disclose in advertisements for promotional credit offers that the majority of consumers who apply won't qualify for the best annual percentage rate (APR), and disclose the range of initial APRs that consumers who are not considered the "most qualified borrowers" are likely to receive.

*Inform consumers considering applying for promotional financing that the application is for a revolving open credit account, that minimum monthly payments are required and that approval of the account does not guarantee that the consumer will also qualify for conditional financing promotions (such as zero-percent interest for 90 days).

*Explain how finance charges are calculated, disclose any penalties and inform the consumer whether subsequent purchases made using the credit account will be subject to the same or different financing terms.

* At the time of credit acceptance, disclose whether the applicant has qualified for any conditional financing promotion.

WARRANTIES AND SERVICES

*Fulfill its warranty obligations within 30 days from the date of notification or receipt of a defective product.

*Disclose whether phone-based troubleshooting or remote diagnosis is required before Dell will provide on-site repair or warranty-related service.

REBATES

*If a rebate is available, provide the necessary rebate documentation at the time product is delivered or the service is provided

*Mail rebates within the specified timeframe, or within 30 days if no date is specified.

ADDITIONAL PROCEDURES AND POLICIES

*Implement written policies to ensure compliance with the agreement, including procedures that address issues such as:

*Informing consumers of their right to cancel orders made with the Dell Credit Account within three days after receiving final credit approval and the written terms and conditions.

*Communication between Dell and Dell Financial Services when a consumer returns a product purchased with credit.

*Removing consumer accounts from collection agencies and providing accurate information to credit-reporting bureaus.

*Substantiate any claims Dell makes about the quality of its customer service. Dell can use the term "award-winning" to describe its customer service only if the company received such an award within the past 18 months.

CONSUMER REFUND REQUESTS:

It's not yet known how many consumers in Tennessee or nationwide may be entitled to refunds under the settlement. Consumers may be eligible for restitution if: 1) They have a valid complaint concerning a product that was purchased between April 1, 2005, and April 13, 2009, and is addressed by the agreement and 2) Dell owes them money. The amount of money issued to individual consumers depends on the number of eligible recipients and the total amount claimed.

"We want to encourage all Tennessee consumers who have had these types of customer service problems with Dell to get a claim form from the Division of Consumer Affairs and send it back in for the possibility of receiving some type of restitution," added Mary Clement, director of the Tennessee Division of Consumer Affairs.

Tennessee residents who have not filed complaints but believe they are eligible for refunds should contact the Division of Consumer Affairs by downloading a claim form at <http://www.state.tn.us/consumer>. Consumers can also call (615) 741-4737 or toll-free in Tennessee at 1-800-342-8385 to request a form by mail. The deadline to submit claims is April 13, 2009.

Eligible consumers who already filed complaints with the Division of Consumers Affairs after April 1, 2005, will be mailed claim forms. If you believe you are eligible and do not receive a claim form within two weeks of today's date, download one from DCA's website or call DCA to request a claim form. The agreement and question and answer information about the restitution process may be viewed by going to <http://www.tennessee.gov/attorneygeneral>.